Steps to reduce trade deficit

*162. SHRI MURLIDHAR CHANDRAKANT BHANDARE:
SHRI MAHENDRA PRASAD:

Will the Minister of COMMERCE be pleased to state:

(a) whether sharp increase in imports resulted in a sharp increase in the trade deficit during November and December, 1990 and January, 1991;

(b) the extent of imports and exports during each of these months and the trade deficit as registered in the first ten months of the current fiscal year; and

(c) the steps taken during these months to contain the widening import-export gap and with what results?

THE MINISTER OF COMMERCE WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI SUBRAMANIAN SWAMY): (a) and (b) The provisional figures of India's aggregate exports, imports and balance of trade during the current financial year are available upto December 1990. The trade deficit during November and December 1990 were Rs. 1859 crores and Rs. 1286 crores respectively. This represents a growth rate of 174.6 per cent and 50.8 per cent over the corresponding months of 1989-90. The main contributory factor behind the increase in trade deficit is the sharp rise in imports mainly accounted for by a steep hike in international oil prices following the Gulf crisis in August 1990.

Exports in November 1990 are estimated at Rs. 2545 crores signifying a growth rate of 19 per cent over November 1989. In December 1990, exports are estimated at Rs. 2874 crores (growth of 23.2 per cent over December 1989). Imports during November 1990 are estimated at Rs. 4404 showing an increase of 56.4 per cent over November 1989. Imports during December 1990 are estimated at Rs. 4160 crores registering an increase of 30.6 per cent. The balance of trade deficit during April-December 1990 is estimated at Rs. 8535 crores as against Rs. 5518 crores during April-December 1989.

(c) The Government has taken several initiatives to increase exports and reduce imports. The Government has set up an Empowered Committee of Secretaries on Balance of Payments to monitor the performance on export front and to explore possibilities of providing additional exports with a small subsidy element, mainly in the form of CCS. Intensive discussions are taking place with exporters in all the major sectors to explore possibilities of creating additional exports. Following the Gulf crisis, special efforts have been made to find alternative markets to those affected by the Gulf crisis.

An inter-Ministrial Empowered Committee was set up under the chairmanship of Commerce Secretary to resolve problems of exporters to Gulf countries. This Committee took a number of decisions to facilitate continuance of exports to the Gulf region. Export Promotion Councils have also been requested to initiate steps to maintain the tempo of exports by exploring alternative markets. Indian Missions in the Gulf region have been requested to identify items of export for which demand would have increased as a result of the war. Recently a committee has been set up under Special Secretary (Commerce) to explore ways of promoting project exports to the Gulf region. Given the uncertainties in the world trading environment, we have initiated intensive bilateral discussions to boost exports. A beginning of this process has been made with the visit of a high level delegation led by Commerce Minister to China. Simultaneously efforts have also been made to curtail non-essential and low priority imports.

Cash Compensatory support for tabocco exporters

*163. DR. YELAMENCHILI SIVAJI: Will the Minister of COMMERCE be pleased to state:

(a) what amount was paid to the raw tabocco exporters as Cash Compensatory support during the last three years, yearwise; and

(b) what steps have been taken to ensure that the same percolates down to the growers?

THE MINISTER OF COMMERCE WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI SUBRAMANIAN SWAMY): (a) and (b) There is no Cash Compensatory Support (CCS) on raw tobacco exports. However, CCS is admissible on un-manufactured FCV tobacco w.e.f. 17-11-1988 at a rate of 5 per cent on F.O.B. value of exports. Year-wise break-up of CCS hence paid during the remaining period of 1988-89 is not readily available. During 1989-90 and 1990-91 (upto February, 1991) the CCS amount paid stood at about Rs. 5.57 crores and Rs. 6.80 crores respectively.

The CCS scheme has been introduced with a view to refund unrebatable taxes paid on the exportable products by the exporters and to that extent it takes care of the tobacco exporters. Export incentives are provided to the actual exporters and not the growers.

Cotton textile mills lying closed in the country

*164. SHRI ANANTRAY DEVSHANKER DAVE: Will the Minister of TEXTILES be pleased to state:

(a) what is the number of cotton textile mills lying closed in the country; State-wise; and

(b) what is Government's policy in regard to these mills?

THE MINISTER OF TEXTILES AND FOOD PROCESSING INDUSTRIES (SHRI HUKUMDEO NARAYAN YADAV): (a) State-wise number of closed cotton/man-made fibre textile mills as on 31.12.1990 is as under:

Sl. No.	State/Union Territory	No. of Mills
1.	Andhra Pradesh	7
2.	Bihar	1
3.	Gujarat	33
4.	Haryana	2
5.	Karnataka	8
6.	Madhya Pradesh	2
7.	Rajasthan	4
8.	Tamil Nadu	19
9.	Uttar Pradesh	8
10.	West Bengal	6
11.	Delhi	1
12.	Maharashtra	13
	TOTAL	104

(b) Government had set up a Nodal Agency to evolve and implement packages for the revival of closed/sick textile mills found to be viable. Government has also set up a BIFR to determine and enforce preventive, emiliorative and remedial measures for the revival of sick industrial companies. Revival of a closed textile mill depends upon its viability being established before the Nodal Agency/BIFR. However, there may be no alternative but to allow closure of unviable textile mills provided the interest of workers is protected.

Production of Janata cloth in backward areas

*165. SHRI SURESH PACHOURI:
SHRI GHUFRAN AZAM:

Will the Minister of TEXTILES be pleased to state: